

Message Text

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ACTION AF-08

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-01
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 AID-05 COME-00 EB-08 FRB-03 TRSE-00 XMB-02
OPIC-03 LAB-04 SIL-01 OMB-01 AGRE-00 STR-04 IGA-02
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R 021015Z MAR 77
FM AMEMBASSY ACCRA
TO SECSTATE WASHDC 6785
INFO AMEMBASSY LONDON
AMEMBASSY LAGOS
AMEMBASSY LOME
AMEMBASSY ABIDJAN

C O N F I D E N T I A L ACCRA 1548

LONDON FOR SEITZ

E.O. 11652: XGDS-3
TAGS: PGOV, PINS, PINT, ECON, EGEN, GH
SUBJ: US/UK TALKS ON GHANA

REF: (A) ACCRA 1371, (B) ACCRA 1449 (NOTAL)

1. AMBASSADOR SMITH, HIGH COMMISSIONER MILLS, THEIR DEPUTIES, AND ECONOMIC AND POLITICAL OFFICERS MET AGAIN MAR. 1 TO CONTINUE DISCUSSION OF POLITICAL/ECONOMIC CONDITIONS IN GHANA.

2. US SIDE REVIEWED "THE DAWN" ALLEGATIONS (REPORTED SEPTEL) OF CORRUPTION IN HIGH PLACES; REPORTED ANGER IN GHANAIAN CIVIL SERVICE OVER DISMISSAL OF DEPUTY GOVERNOR OF CENTRAL BANK FRANK ANNO AND MANAGING DIRECTOR OF AGRICULTURAL DEVELOPMENT BANK E.N. AFFUL (REFTELS); POINTED TO INCREASING UNPOPULARITY OF ACHEAMPONG REGIME; AND NOTED THAT ECONOMY CONTINUES ITS SLIDE. WE SAID THAT INFLATION IS STILL AT HIGH RATE (PERHAPS 70-80 PERCENT PER YEAR)

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BUT RATE OF INCREASE SEEMS TO BE TAPERING OFF SOMEWHAT. FOOD SUPPLIES CONTINUE TO BE TIGHT, PARTICULARLY IN NORTHERN GHANA, AND GOG HAS DONE LITTLE TO PLAN FOR ARRIVAL OF EMERGENCY FOOD FROM US AND OTHER DONORS. THUS OVERALL OUTLOOK IS GRIM. HOWEVER, THERE IS NO RPT NO EVIDENCE OF COUP PLOTTING AT THIS TIME. ACHEAMPONG SEEMS WEAK BUT POTENTIAL RIVALS ARE CAREFULLY WATCHED. THEY APPEAR CONTENT WITH THE PICKINGS OF HIGH OFFICE AND ARE NOT

RPT NOT EAGER TO TRY TO UNSEAT THE CHAIRMAN.

3. BRITISH SIDE GENERALLY AGREED WITH THIS ANALYSIS. MILLS SAID THAT INFORMAL ESTIMATES BY HIS STAFF SUGGESTED A CEDIS 50 MILLION (US\$43.5 MILLION) GAP IN HARD CURRENCY EARNED FROM COCOA SALES. THESE PROCEEDS ARE EVIDENTLY FINDING THEIR WAY INTO POCKETS OF GOG OFFICIALS. CORRUPTION, INCOMPETENCE AND INTRIGUE HAVE ALL INCREASED IN THE EIGHTEEN MONTHS MILLS HAS BEEN HERE. GOG RELIES HEAVILY ON SCAPEGOATS SUCH AS HAPLESS FRANK ANNO, SACKED ON GROUNDS HIS MIS-MANAGEMENT OF FOREIGN EXCHANGE LED TO RECENT GASOLINE SHORTAGE. (COMMENT: LACK OF FOREIGN EXCHANGE, RATHER THAN MISMANAGEMENT, CAUSED SHORTAGE.) ASKED ABOUT UK AID PROGRAMS IN GHANA, MILLS ALLOWED THERE HAVE BEEN TROUBLESOME PROBLEMS OF INERTIA AND BUNGLING ON GOG SIDE BUT SAID HMG IS NOT RPT NOT THINKING OF PULLING UP AID STAKES HERE. IN FACT, WHILE BRITISH DIPLOMATIC STAFF IS BEING CUT BACK FOR BUDGETARY REASONS, UK TECHNICAL STAFF IS EXPANDING SLIGHTLY. US SIDE AGREED THAT FOOTDRAGGING BY GOG WAS A PROBLEM IN ADMINISTERING AID PROGRAMS.

4. SPECULATING ON HOW MUCH LONGER ACHEAMPONG CAN STAY IN THE SADDLE GIVEN ECONOMIC AND POLITICAL PROBLEMS FACING HIS REGIME, BOTH SIDES FELT THAT IF A COUP IS ATTEMPTED THIS YEAR, ITS LEADERS WILL PROBABLY BE YOUNGER, RELATIVELY UNKNOWN OFFICERS RATHER THAN THE PRESENT CROP OF SMC/NRC OFFICIALS. IT ALSO CONCEIVABLE (THOUGH MUCH LESS LIKELY) THAT SOME UNKNOWN LUTHER HERE WILL NAIL THE THESES OF HONEST AND EFFICIENT GOVERNMENT TO THE CASTLE DOOR. SUCH AN APPEAL TO IDEALISM AND PROFESSIONALISM NOW LATENT IN GHANAIAN SOCIETY MIGHT WELL STRIKE RESPONSIVE CHORD AMONG ELITE AND PEOPLE TIRED OF EMPTY SLOGANS AND ECONOMIC COLLAPSE. SMITH

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Message Attributes

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